

HOUSE BILL REPORT

HB 1497

As Reported by House Committee On:

Higher Education

Appropriations

Title: An act relating to increasing the operating fee waiver authority for Central Washington University.

Brief Description: Increasing the operating fee waiver authority for Central Washington University.

Sponsors: Representatives Wallace, Anderson, Sells, Hinkle, Roberts, Warnick, Buri, B. Sullivan, Priest, Hasegawa and Dunn.

Brief History:

Committee Activity:

Higher Education: 2/5/07, 2/21/07 [DP];

Appropriations: 3/1/07, 3/3/07 [DPS].

Brief Summary of Substitute Bill

- Increases the tuition waiver authority for Central Washington University.

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass. Signed by 7 members: Representatives Wallace, Chair; Sells, Vice Chair; Anderson, Ranking Minority Member; Buri, Assistant Ranking Minority Member; Hasegawa, McIntire and Sommers.

Staff: Andrew Colvin (786-7304).

Background:

The Legislature grants higher education institutions permission to waive all or a portion of tuition for certain types of students and purposes. The various waivers fall into three broad types: state supported, discretionary, and space available. For state supported waivers it is assumed that state moneys in the institutions' budgets will offset the tuition not collected from

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students to whom waivers are granted. For discretionary and space available waivers, this offset is not assumed.

State supported waivers are capped at a certain percentage of the total operating fee revenue the institution collects. Within its respective percentage caps, each institution decides how to apportion its waiver authority among the various categories of state-supported waivers.

The caps for each of the institutions is as follows:

- (1) University of Washington 21 percent
- (2) Washington State University 20 percent
- (3) Eastern Washington University 11 percent
- (4) Central Washington University 8 percent
- (5) Western Washington University 10 percent
- (6) The Evergreen State College 6 percent
- (7) Community Colleges as a whole 35 percent

The waiver caps were established in 1992 as a result of changes to the way tuition revenue is treated. Prior to 1992, higher education institutions collected tuition and transferred that revenue to the State General Fund. In 1992, legislation was enacted to allow institutions to retain tuition revenues. At the same time, caps were established that set the maximum percentage of total tuition that each institution may waive for the purposes of state supported waivers. The amounts of the caps were based on the percentage of tuition revenue waived at each institution in 1992. When transferring State General Fund tuition dollars, the state provided funds to offset the tuition revenue forgone through waiver authority. This amount has been part of carry-forward dollars for each institution since 1992.

Summary of Bill:

Increases the tuition waiver authority for Central Washington University from 8 percent to 10 percent.

Appropriation: None.

Fiscal Note: Received.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2007.

Staff Summary of Public Testimony:

(In support) This bill has been around for a long time. It is about equity, fairness, affordability, and access. It will give Central Washington University (Central) equity with peer institutions in the state. Central has traditionally used most of its state supported waiver authority for needy students. Central does not have extra aid money to give without an increase in its waiver authority. This bill will help increase diversity at Central, which has a lower participation rate and a higher Hispanic student population than other state schools.

(Opposed) None.

Persons Testifying: (In support) Representative Warnick; Steve DuPont, Associated Students of Central Washington University; and Anthony Aronica, Central Washington University Board of Trustees.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 34 members: Representatives Sommers, Chair; Dunshee, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Haler, Assistant Ranking Minority Member; Anderson, Buri, Chandler, Cody, Conway, Darneille, Dunn, Ericks, Fromhold, Grant, Haigh, Hinkle, Hunt, Hunter, Kagi, Kenney, Kessler, Kretz, Linville, McDermott, McDonald, McIntire, Morrell, Pettigrew, Priest, Schual-Berke, Seaquist, P. Sullivan and Walsh.

Staff: Debbie Driver (786-7143).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Higher Education:

A null and void clause was added, making the bill null and void unless funded in the budget.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect on July 1, 2007. However, the bill is null and void unless funded in the budget.

Staff Summary of Public Testimony:

(In support) Thank you for bringing this legislation forward and thank you to the members of the Appropriations Subcommittee on Education for including funding for increasing Central Washington University's (CWU) tuition waiver authority. This increase brings CWU students in line with Western Washington University's level of tuition waiver authority. Since 1992 CWU students have been disadvantaged with regards to receiving financial aid when compared with other students. This difference in equity has cost students about \$13 million when 1992 dollars are adjusted to today's dollars. Students request that CWU's tuition waiver authority be increased from 8 percent to 10 percent and fully funded at \$850,000 for the 07-08 fiscal year.

Faculty devote their lives to educational enterprises and one of the things faculty know is that the more CWU can have students that represent under-served groups, students who can't afford college, the richer the experience for all on campus. These fee waivers enable CWU to reach out to under-served groups in the region and throughout central Washington. These

waivers will enable CWU to enrich the learning experience for every student who attends the university.

Persons Testifying: Mike Bogatay, Associated Students of Central Washington University; and Jim Huckabay, Central Washington University faculty.

Persons Signed In To Testify But Not Testifying: None.